

U. S. TREASURY DEPARTMENT  
Internal Revenue Service  
Washington 25, D. C.

December 3, 1956

Alcohol and Tobacco Tax Division  
Industry Circular No. 56-44

Instructions Relative to Receipt of Taxpaid  
Tobacco Products into Tobacco Products Factories

Manufacturers of tobacco, cigars, and cigarettes:

1. The purpose of this industry circular is to advise you of certain basic procedures to be followed in connection with the receipt of taxpaid packages of tobacco products into your factories on and after January 1, 1957.

2. The receipt into tobacco products factories of packages of tobacco products on which tax has been paid (by stamps or returns), including such products received from another factory and those of your own manufacture which are returned to your factory, for purposes of reshipment in the same packages in which received, without reworking, reconditioning, or other rehandling, is not prohibited by the regulations. However, a manufacturer may receive into his factory only the kind of product which he is authorized to produce in the factory.

3. When you desire to receive such taxpaid product into the bonded premises of your factory, it will be necessary for you to make application to, and receive permission from, the Assistant Regional Commissioner, Alcohol and Tobacco Tax, for the region in which your factory is located, so to do. Such application shall set forth the identity of the manufacturer of the product and the quantity, kind, and class designation (in the case of large cigars) of the tobacco product to be received into the bonded factory premises. If you desire, as a continuing arrangement, to receive such product into the bonded premises of your factory, it will be agreeable to this office for the appropriate Assistant Regional Commissioner to grant blanket authority to you to do so, provided you furnish to the Assistant Regional Commissioner, with respect to each lot or shipment received, the information indicated above.

4. Such taxpaid tobacco products must be stored, segregated, or labeled in such a manner as to make them readily identifiable as taxpaid products received and accessible for inspection by any revenue officer upon his request.

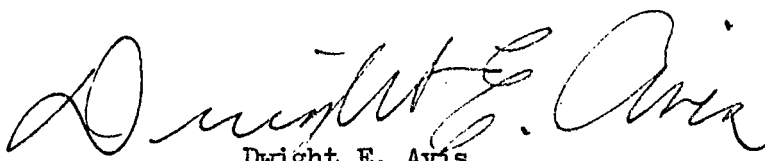
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5. In connection with the revenue accounting for taxpaid tobacco products received, the new records required to be kept by manufacturers of tobacco products, Forms 2141, 2142, 2142-A, and 2143, to be issued for use beginning January 1, 1957, will provide, in Section V, a separate account for the recording of the receipt of taxpaid tobacco products and the subsequent disposition thereof. No other debit or credit entry of such products, or of any stamps affixed to the packages of such products, shall be made in such forms with respect to taxpaid tobacco products so received or disposed of. Such products shall also not be included in any inventory or report required to be made by you.

6. The procedure set forth above is not to be confused with the procedure to be followed with respect to tobacco products on which tax has been paid where such products are to be taken up in the factory records as untaxpaid products received because they are to be reworked, reconditioned, or otherwise rehandled, or claim is to be filed for refund of the original tax paid, since such products will not be entered in the separate account under Section V of the aforesaid revenue records.

7. Any prior instructions relative to the receipt of taxpaid tobacco products into the bonded premises of a tobacco products factory which are inconsistent or in conflict with the instructions contained in this industry circular are hereby amended or superseded accordingly.

8. Inquiries in regard to this industry circular should refer to the number thereof and should be directed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.

  
Dwight E. Avis  
Director, Alcohol and Tobacco Tax Division